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**HEARING DATE: April 29, 2010 at 9:45 a.m.**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
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MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,	:
f/k/a General Motors Corp., <i>et al.</i> ,	:
	:
Debtors.	:
	:
	:
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Chapter 11  
Case No. 09-50026 (REG)  
(Jointly Administered)

**STATEMENT REGARDING GENERAL MOTORS LLC'S MOTION (I) FOR  
DECLARATORY RELIEF REGARDING THE STATUS OF A CERTAIN SUBLEASE,  
OR, IN THE ALTERNATIVE, RELIEF FROM THE ASSUMPTION  
AND ASSIGNMENT OF A CERTAIN SUBLEASE TO GM PURSUANT TO  
RULE 60(b) AND (II) TO RESCIND THE AGREEMENT TO RESOLVE  
OBJECTION TO CURE NOTICE BETWEEN GM AND  
KNOWLEDGE LEARNING CORPORATION DATED AUGUST 14, 2009**

TO THE HONORABLE ROBERT E. GERBER,  
UNITED STATES BANKRUPTCY JUDGE:

1. Togut, Segal & Segal LLP, conflicts counsel to the above captioned as debtors and debtors-in-possession in these chapter 11 cases (collectively, the "Debtors"), hereby submits this Statement (the "Statement") regarding General Motors LLC's Motion (I) for Declaratory Relief Regarding the Status of A Certain Sublease, or, In The Alterative, Relief From the Assumption and Assignment of a Certain Sublease To GM Pursuant to Rule 60(b) And (II) to Rescind the Agreement to Resolve Objection To Cure Notice Between GM and Knowledge Learning Corporation Dated August 14, 2009 (the "Motion") (Docket No. 4895) and respectfully represents as follows:

**STATEMENT**

2. As set forth in the Motion, the Objection of Knowledge Learning Corporation (Docket No. 5405), and New GM's Reply (Docket No. 5595), there is a dispute between New GM and Knowledge Learning Corporation whether a Lease Agreement between Saturn, LLC and Knowledge Learning Corporation relating to certain real property located in Spring Hill, Tennessee (the "Sublease") was properly assumed and assigned to GM.

3. Certain of the Debtors' former personnel were involved in the negotiations resulting in the purported assumption and assignment of the Sublease to New GM and, upon the closing of the Sale, those personnel became employees of New GM.<sup>1</sup>

4. If the Court grants the Motion, the Debtors' estate should not be liable for any administrative claim arising since the purported assumption and assignment of the Sublease, nor any additional claims resulting from the disposition of the Motion. The Debtors submit that, if the Motion is granted, New GM should be required to pay Knowledge Learning Corporation's allowed administrative expense claim, if any (indeed, New GM admits that it may be required to fund this claim pursuant to the terms of the MSPA, *see* Motion at ¶ 38).

5. The Debtors reserve their rights to challenge any claim(s) asserted against the estate by Knowledge Learning Corporation with respect to and arising from

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<sup>1</sup> If factual disputes regarding the negotiations or the actions of such personnel become the subject of discovery and litigation, the Debtors will have inherent conflicts, thus the Debtors may defer to the Official Committee of Unsecured Creditors and its counsel to address such issues on behalf of these estates.

the disposition of the Motion, including but not limited to the rejection of the Sublease.

Dated: April 26, 2010  
New York, New York

TOGUT, SEGAL & SEGAL LLP  
Conflicts Counsel for the Debtors  
and Debtors in Possession  
By:

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